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Challenge!

Linking Preservation and Revival



Looking Ahead



Watts Gets \$3.3 Million Loan

The Watts Labor Community Action Committee (WLCAC) recently signed a \$3,300,000 credit agreement with Security Pacific National Bank, the 10th largest bank in the U.S., for development and construction of housing units in the Watts area of south central Los Angeles. The funds will be used for specific projects designed to bring decent homes and employment opportunities back to the area. The loan will provide approximately \$2,280,000 to continue development of projects already underway in the Watts/Willowbrook area, and \$1,020,000 will be used to finance housing relocation costs. Some 26 units (9 single-family residences and 15 apartments) are now completed and a few others are nearing completion. Financing, upon completion of a unit, will be transferred to permanent real estate loans to WLCAC, who becomes the owner of the properties. The units will be rented to qualified members of the minority community with 75-80 percent of the units subsidized under HUD's Section 8 program. The Ford Foundation is providing a guaranty of collection for 50 percent of uncollected principal for a maximum of 10 years on units not rent-subsidized by HUD. Security Pacific assumes all other liabilities.

HUD Launches Enhanced Anti-Crime Program

HUD Secretary Harris has announced a multimillion dollar interagency program aimed at stemming crime and fear of crime in public housing projects. The initial funding for the interagency program will be slightly more than \$30 million with the bulk being provided by HUD: \$20 million in modernization loan authority and \$2.25 million from Community Development Block Grant discretionary funds. The Department of Labor's Youth Community Conservation and Improvement Projects will account for \$8 million. The funds will be distributed nationwide on a competitive basis to housing projects with serious crime and vandalism problems that can be substantially reduced by a comprehensive anti-crime program. In making the awards, HUD and DOL will be looking for applications that include improved PHA management of public safety, physical rehabilitation of facilities, physical security improvements, social services, tenants' anti-crime efforts, employment opportunities, better linkages with the police, and new partnerships with local government and the private sector. In announcing the program, Secretary Harris noted that the new effort, called Urban Initiatives Anti-Crime Program, "recognizes the need for a more comprehensive anti-crime program which is necessary if we are to succeed in turning around distressed public housing projects."

Urban Infill: An Alternative to Urban Sprawl?

How much growing room is there in America's urban areas? HUD has awarded a 2-year, \$445,000 research contract to the Real Estate Research Corporation (RERC), Chicago, to explore this question in depth. Taking a close look at potentially usable urban vacant space located in the mainstream of city services was a suggestion raised in President Carter's National Urban Policy announced last year. More recently, HUD's Housing Cost Task Force Report strongly recommended a searching study of the same area to identify additional locations for much needed housing where infrastructure costs might be less. The development of vacant, already publicly serviced lands is called "Urban Infill." Under the research contract, about 200 vacant and recently developed parcels of land in three metropolitan areas will be intensively profiled, identifying not only their physical characteristics, but also the key factors which would account for success (or failure) as development projects. Willingness of metropolitan political jurisdictions and/or local governments to cooperate and contribute to the research study will be a weighted factor in picking the areas to be studied during the first 3 months of the project.

Regional agencies of local governments interested in participating in the study should contact: Deborah Brett, RERC, 72 West Adams, Chicago, Ill. 60603, (312/346-5885); or James Hoben, Government Technical Representative, HUD, Office of Policy Development and Research, Room 8210, Washington, D.C. 20410 (202/755-5422). Information which might be of value to the project is welcome.

Reenactment of Edison's Discovery

With his invention of the incandescent lamp in 1879, the wizard of Menlo Park, Thomas Alva Edison, brought light to the world. This October, 100 years later, a reenactment of the miracle of light will be staged at Greenfield Village, near Detroit, where more than 85 historic buildings display three centuries of Americana. Among these is the Menlo Park, N.J., laboratory where Edison created the light bulb. The scene and the century-old experiment will be reenacted for 400 leaders from the fields of business, science, education and the arts, and politics.

Buyers Acted Faster in 1978

The Chicago Title Insurance Company reports that home buying decisions were made much more quickly in 1978, and buyers looked at fewer homes than in the two preceding years. The firm's family housing bureau conducted 400 telephone interviews of buyers in 11 areas. First-time buyers took 4.0 months to decide on a purchase in 1978, while repeat buyers took 3.3 months, according to the survey. In 1977 buyers looked at 13.9 homes over a 4.1-month period, while in 1976, the average was 12.3 homes over 4.0 months.

U.S. Department of Housing and Urban Development
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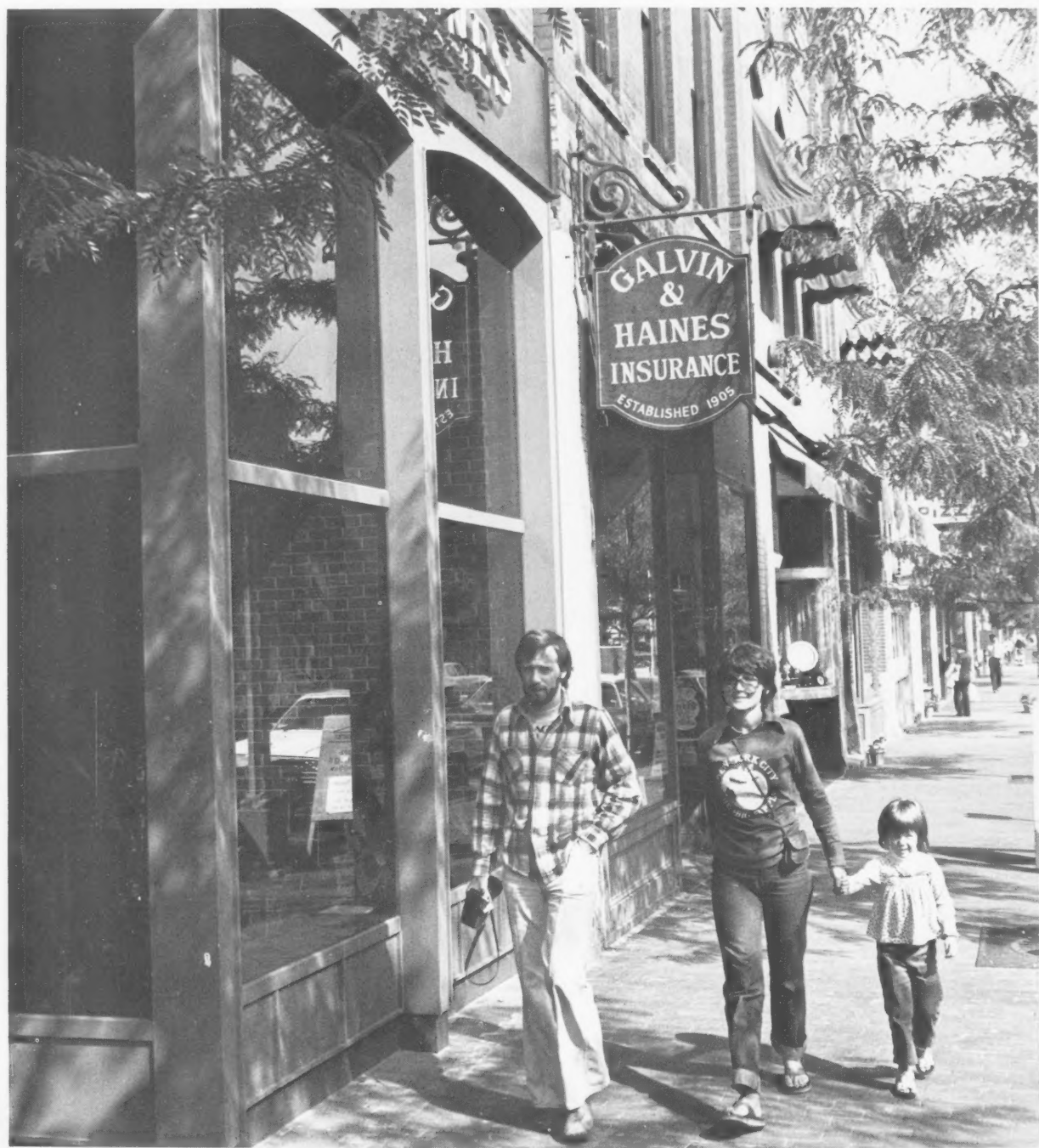
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Cover Design by Sara Tweedie





Preservation in Downtown Revitalization

by Norman M. Mintz

As neighborhood conservation programs increase, so does the realization that the older adjacent downtown shopping area is an inseparable part of the same preservation process. The appreciation of the unique character that people treasure in places in which they live is now becoming more apparent for the places in which they shop. Communities have begun to organize and work for the rejuvenation of their Main Street as they would for their

neighborhood block association. They look at their downtown with pride and see it not so much as their downtown, but as their hometown.

This growing interest in revitalization, however, is often met with resistance and skepticism from the very merchants it is supposed to help. If attempts at neighborhood conservation seemed difficult, then the efforts of a commercial revitalization program are even more so. The problem of dealing with those merchants who are apathetic, stubborn, and frugal is compounded by their use of archaic merchandising techniques that do not have a chance against the outlying shopping mall. To make the effort even more difficult are the perpetual problems ranging from politics to parking. Situations like this present a challenge that must be met by a

comprehensive program that includes person-to-person contact and an indepth education in historic preservation.

The challenge of working with merchants has been the prime responsibility of the Market Street Restoration Agency, Corning, New York. Created through grants from the Corning Glass Works Foundation and an initial grant from the local chamber of commerce, the responsibility of the agency has been to provide preservation education, and a free design service to merchants and property owners in the Market Street Historic District. The agency has, in its 4½ years of existence, established itself as one of those few professional organizations that have been actively involved, full-time, with a single



The Glass Menagerie represents a contemporary design approach. Designers successfully created a storefront that complimented the building's 1920 facade.

revitalization project. It has in this duration been able to overcome merchant indifference and has confronted just about every problem associated with the rejuvenation of an ailing downtown. It is the intent of this short article to relay some of that experience and to clarify a particular issue that is pertinent to those involved in this vital field.

To meet the growing interest for downtown revitalization, communities have increasingly begun to make use of available Federal funds. The much needed and appreciated help usually finds its way in the form of street and sidewalk improve-

ments and pedestrian amenities (although certain programs allow for low-interest rehabilitation loans). It has been proven however, that public improvements are not enough if a revitalization program is to be successful. All too often beautiful landscaping and street furniture stand unused as buildings deteriorate, stores close and customers continue to travel to the suburban shopping malls. The fact is, it is the ongoing efforts of the private sector which make the program work.

Is there any way the Federal Government can help with this problem? One answer lies in extending the public improvement phase into the private sector by allowing a more personal approach to encourage private initiative. Certainly Federal funds could be redirected to have a full-time professional available to work directly with merchants and property owners. This could follow the Corning experience

except that public, rather than private monies would be used. This approach can provide the project with a person who acts not only as a catalyst but one who could also provide the technical and design expertise for quality implementation. Although design recommendations could be obtained from outside consultants it is best to have a local person act in the leadership role in order to more readily win the trust of the business community. Ideally that person should be able to convince the merchant/property owner of the social and economic benefits of building and storefront improvement. An understanding of the nature of each merchant's business and a knowledge of merchandising techniques and promotion will also prove beneficial. Guidance must be handled with diplomacy and patience. Most importantly, the person should



possess a thorough background in historic preservation. The careful preservation approach should accompany every phase of downtown physical improvement.

The preservation ethic starts commonly enough with the street itself, confronting plans that are hastily drawn up to close the street to traffic. Attempts at conversions like this should be made only when heavy traffic warrants, which is rarely the case except in larger cities. The street should be seen and utilized as a street and not a mall. Merchants need the vehicular traffic flow to be noticed and for having onstreet parking reserved for quick shopper turnover. To turn an entire street into a pedestrian way, when the sidewalk area is sufficient, creates a barren, depressing sight not at all conducive to shopping. What makes Main Street exciting is that it is a street filled with the movement of cars and people. Downtown

should not "feel" inferior and try to emulate a mall. It is at its best when it is preserved as itself.

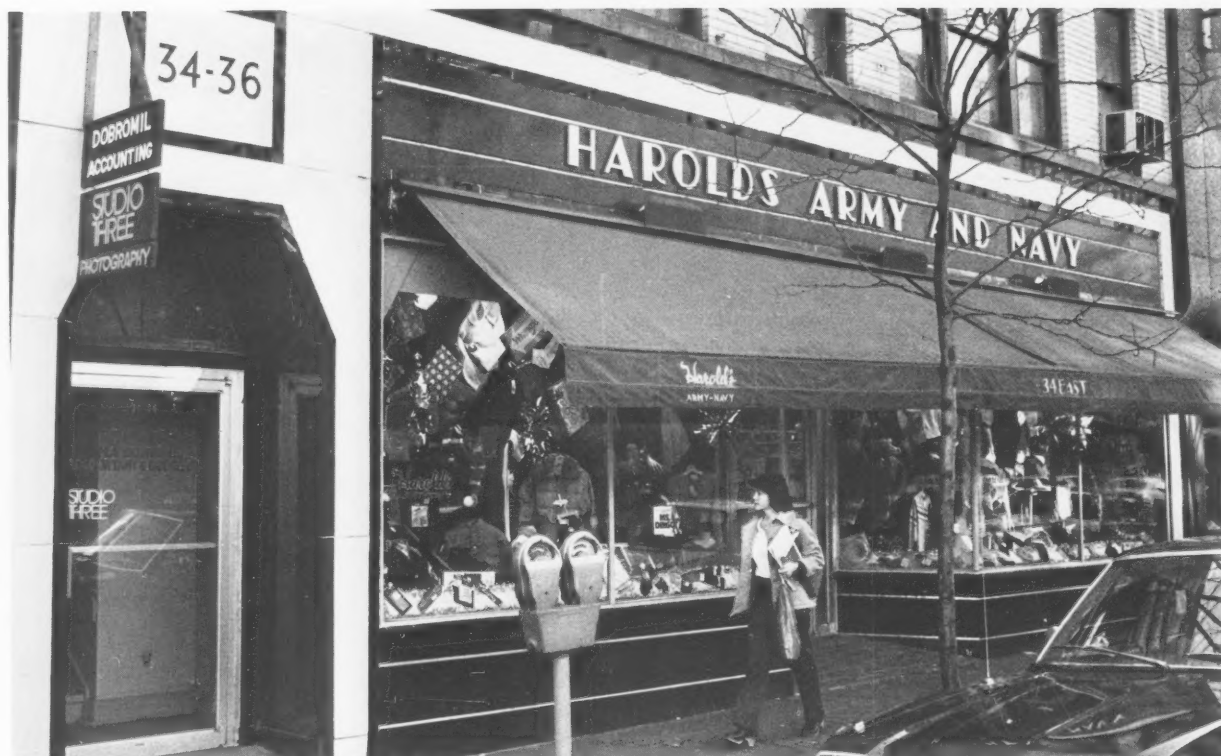
Sidewalk improvements alone can also be misdirected if attention to historic preservation is omitted. Many planners without the preservation discipline look for an easy out and are influenced by similar projects in other towns. Trees, brick sidewalks, street furniture, similarly sized signs, and Victorian oak storefronts become the stereotyped solution. Landscaping and sidewalk amenities may add much to a streetscape, but what may have worked well in one town, may not necessarily be right for another.

Older Buildings

The need for historic preservation becomes even more evident when we con-

Brown's Cigar Store represents that rare Victorian storefront that has remained to this day in its original condition. Restoration was limited to repainting.

front the buildings themselves. Although there are many professionals who have had an education in planning and are capable of designing public improvements, most lack the proper training when it comes to dealing with the older buildings of Main Street. They lack an understanding of the elements that compose a facade and are insensitive to the changes that may have to occur. They do not see the need for research and miss the importance of the building in its historical context and its relationship to other buildings on the street. As a result many have been caught in a problem that can lead to the look of sameness on our Main Streets.



Harold's Army and Navy store is considered a fine example of the art-deco style. Recent rehabilitation enhances original design.

Preserving Diversity

By this time the idea that a "theme" is necessary to help unify the look of a town has become obvious as folly. It is hoped that we have seen the last of the colonial motif and phony gingerbread facades tacked on to everything. Unfortunately however, in place of the term "theme" we now have a new term — "harmony." Somehow the idea that all storefronts and signs must relate has pervaded the design philosophy of many decisionmakers. Many have gotten the notion that everything must "harmonize" and fit within strict design regulations. Although some form of control is necessary, overly strict

design regulations can hamper that one element of diversity so essential to a town's personality. A design restriction for one building may not be appropriate for another. Diversity is key to the formulation of a building improvement program, with each decade contributing dramatic change to the face of Main Street.

The Victorian decades spanning the turn of the century have left us with workmanship and ornate detail we have come to so lovingly admire. The decade prior to World War I carried on this tradition; although not in as flamboyant a manner, the results are still quite impressive. In the decade of the twenties, we see larger window areas, glazed terra cotta, and a proliferation of hanging signs that for the most part are imaginatively well designed. The 1930's brought us the decade of art-deco with the marvelously inspired

use of geometric patterns and proportions. The 1940's brought us the creative use of neon signs and the carra glass storefront. The fifties and sixties, however, represent that time when so many of those earlier styles were destroyed or covered over, representing an unfortunate loss of quality and value of design.

It, therefore, becomes especially important for those involved with building improvements to recognize and respect each building for the diversity it offers. Good design statements of the period should be preserved, and change should be advised only when necessary with the resulting solution being one that is made with care and representative of the best preservation and design thinking of today.

Mr. Mintz is Project Director of the Market Street Restoration Agency in Corning, N.Y.

Forum



"I think this is an exceptionally promising program to help identify and develop the future generation of people who will manage an intergovernmental system that delivers housing, community development and economic development programs. These men and women, from all levels of Government, will be exposed to management and policy issues here in HUD headquarters as full-time staff employees. . . . At the same time, they will be analyzing contemporary urban development, public administration, and management issues as full-time graduate students."

HUD Secretary Patricia Roberts Harris announcing the new HUD Intergovernmental Management program, May 1, 1979

"The passive solar designs recognized by these awards and the information which we expect to obtain from these projects will provide a significant increase in our understanding of the most effective and economical ways to use solar energy in homes."

Donna Shalala, HUD Assistant Secretary for Policy Development and Research, announcing awards for passive solar heating designs

"This program, which had its start last year as part of the President's National Urban Policy, has been greatly enhanced by enactment of the Public Housing Security Act of 1978. The new effort — Urban Initiatives Anti-Crime Program — recognizes the need for a more comprehensive anti-crime program which is necessary if we are to succeed in turning around distressed public housing projects."

HUD Secretary Patricia Roberts Harris announcing new program to stem crime in public housing, May 10, 1979

"One of the major problems facing the handicapped is architectural barriers and happily it's the problem easiest to correct. This is why from May 13-19 we are celebrating Architectural Barriers Week in which we try to help people understand how a barrier-free environment can enable all persons to function more fully in society."

Dave Williamson, Director of the Office of Independent Living for the Disabled, HUD.

"I am also pleased to announce today another new initiative of the Department that will assist persons with disabilities. HUD will be providing \$400,000 for technical assistance which will facilitate the development of housing opportunities for the handicapped in six demonstration States. We have officially entitled this program 'HANDI-TAP' and are very excited about its possibilities. Ten regional workshops across the country will be conducted to train

State, municipal, and HUD officials and handicapped consumers with the aim of identifying problem areas and developing practical solutions. It is our intention to help local and State officials and handicapped consumers evaluate their community's needs for housing the disabled so they can realistically meet these needs."

HUD Under Secretary Jay Janis speaking at the Annual Meeting of the President's Committee on Employment of the Handicapped, Wash., D.C., May 4, 1979.

If we're going to succeed in revitalizing our cities, we have to develop a more effective housing rehabilitation industry. As a member of President Carter's National Commission on Neighborhoods, I found that urban revitalization has been stymied by the lack of qualified builders and developers for rehabilitation projects."

Harold W. Greenwood, Jr., President, National Savings and Loan League, Wash., D.C., May 10, 1979

"Last year, we saw that tremendous opportunities existed for investment in 'distressed' urban places. . . . and this year we see a large number of projects chiefly financed by private investment, now underway. Clearly the Action Grant Program has made the difference. The massive infusion of private funds in cities with high unemployment and poverty, old housing stock and weak economic indicators is another indication that the 'New Partnerships' President Carter has encouraged between Federal, State and local government, and the private sector, has been exactly on target."

Robert C. Embry, Jr., HUD Assistant Secretary for Community Planning and Development, announcing awards under HUD's Urban Development Action Grant program, April 4, 1979

"This outreach effort is important if we are to assure more realistic input and greater participation by minorities in the key processes by which the Department's programs are developed and evaluated, and thus better tailor our programs to meet the needs of minorities. . . . The lack of minority involvement in problem definition, research and evaluation severely undermines the effectiveness of many well-intentioned housing policies directed toward these groups."

HUD Secretary Patricia Roberts Harris, announcing the award of a \$400,000 grant to the National Urban League. The program is designed to expand participation of minorities in housing research, March 16, 1979

Energy in Urban Planning: Settling for Less

by Patrick Hailstone

The following article is reprinted from Habitat, a quarterly publication of Central Mortgage and Housing Corporation, Ottawa, Canada.

North Americans and Europeans together make up one-quarter of the world's population. They also consume three-quarters of its energy: about half this amount in and about human settlements. The cities, then, are a good place to start an assault on excessive energy consumption.

The large and highly complex cities in which an increasing number of us live (almost one-third of Canadians are Montrealers, Torontonians or Vancouverites) were made possible by ready access to huge amounts of cheap fuel. This apparently boundless energy supply has until recently been taken very much for granted. It has also been the basis for the shaping of our human settlements, as evidenced for instance in the automobile-oriented suburbs of North America which often sprawl over ten times the area occupied by older cities of like population.

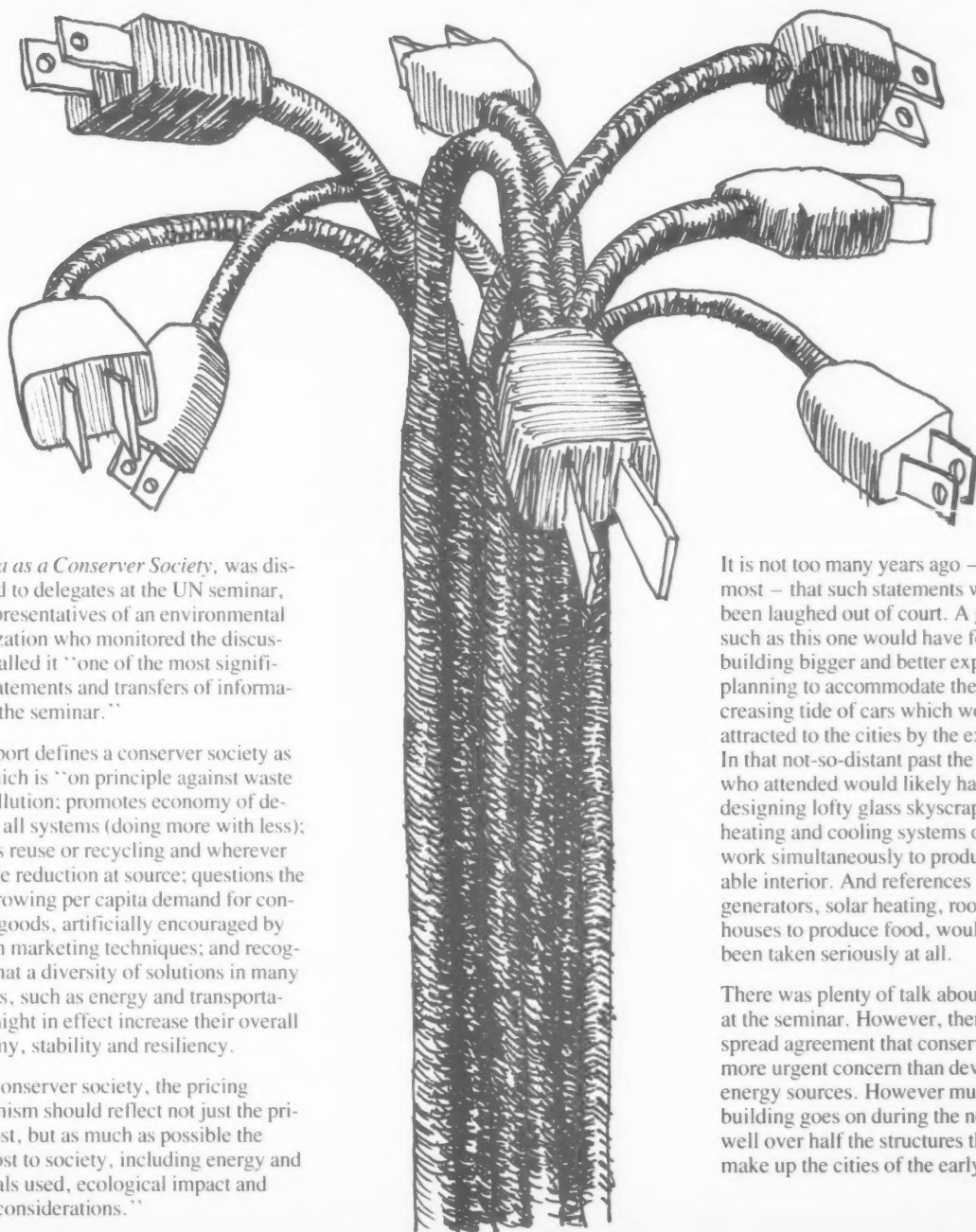
Last October, some 150 planners and architects and others concerned with the planning and design of human settlements met in Ottawa to discuss this situation. Most were senior officials of 26 national governments who are members of the United Nations Economic Commission for Europe (ECE). There were also representatives of such bodies as the International Union of Architects, International Real Estate Federation, and World Society for Ekistics.

"It was," said the seminar chairman Maurice Strong, "probably one of the most important meetings I have ever addressed — a group of people who, more than any other, have a real opportunity to effect the kind of changes that are necessary." These, Strong explained, were not "the questions of which supply option would be the best; I don't think there is a universal answer for this. But rather, in the planning of human settlements, how we can reduce our demands for energy; how we can locate our settlements; how we can determine their size and location in relation to the new energy realities."

Strong called on delegates for "a series of concrete, working, living examples of how, in new settlements, people can live a less energy-intensive life, a less material-intensive life, a life in which conservation has become a dominant working principle in economic decision-making."

He added: "This involves a new approach to life in our human settlements, a new set of criteria for measuring the quality of life, a new value system, cultural change, a change in the concept of growth itself. We live in a period where man the commercial animal, man the producer, is dominant. But, if you look at those periods of history in which man has appeared at his creative best, you will find that the dominant movers were not the commercial people; and the commercial ethic was not the dominant ethic. That's the way it has to be again."

There is growing public awareness, if not acceptance, of Strong's thesis that we must adopt the conserver ethic. The recent Science Council of Canada report,



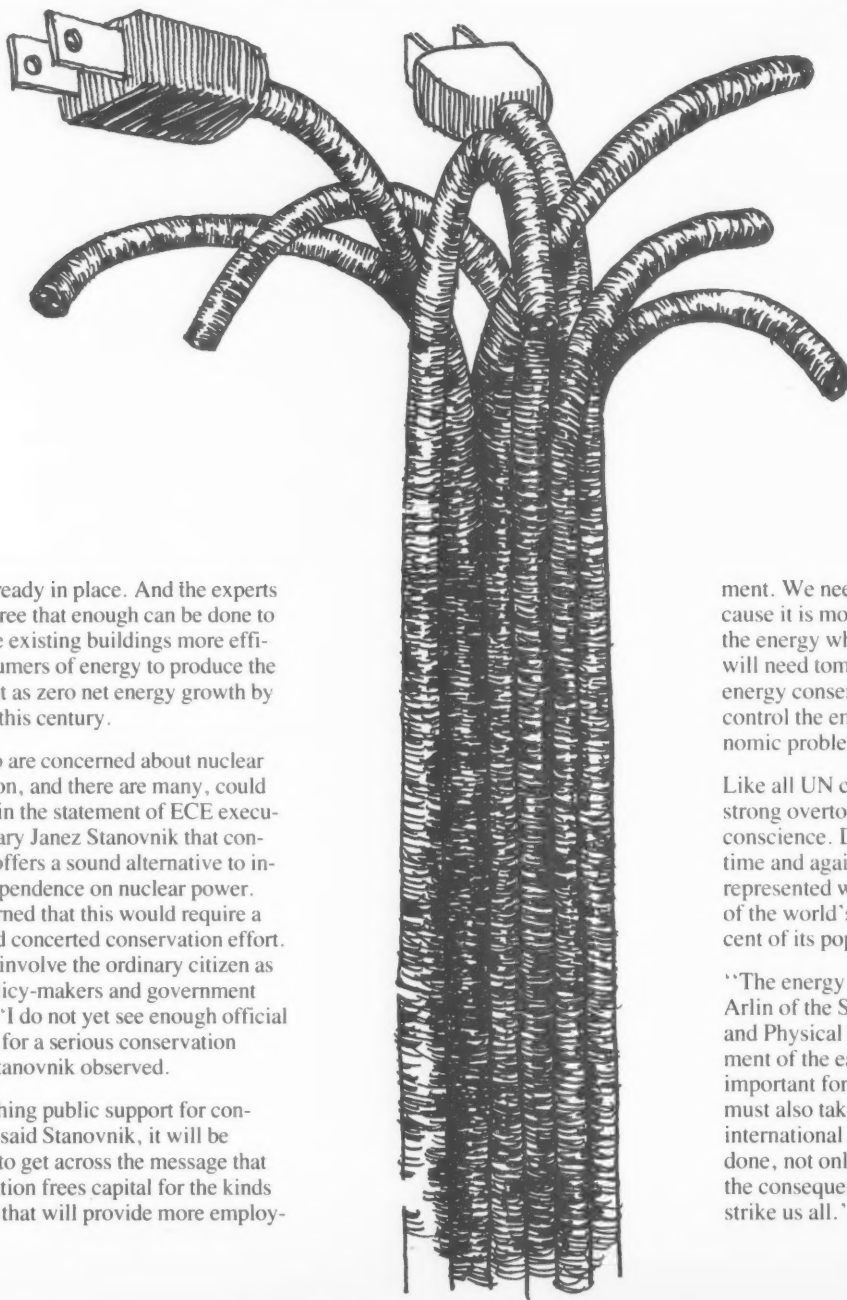
Canada as a Conserver Society, was distributed to delegates at the UN seminar, and representatives of an environmental organization who monitored the discussions called it "one of the most significant statements and transfers of information at the seminar."

The report defines a conserver society as one which is "on principle against waste and pollution; promotes economy of design of all systems (doing more with less); favours reuse or recycling and wherever possible reduction at source; questions the ever-growing per capita demand for consumer goods, artificially encouraged by modern marketing techniques; and recognizes that a diversity of solutions in many systems, such as energy and transportation, might in effect increase their overall economy, stability and resiliency.

"In a conserver society, the pricing mechanism should reflect not just the private cost, but as much as possible the total cost to society, including energy and materials used, ecological impact and social considerations."

It is not too many years ago – 20 at most – that such statements would have been laughed out of court. A gathering such as this one would have focused on building bigger and better expressways, planning to accommodate the ever-increasing tide of cars which would be attracted to the cities by the expressways. In that not-so-distant past the architects who attended would likely have been designing lofty glass skyscrapers whose heating and cooling systems often had to work simultaneously to produce a liveable interior. And references to wind generators, solar heating, rooftop greenhouses to produce food, would not have been taken seriously at all.

There was plenty of talk about such things at the seminar. However, there was widespread agreement that conservation was a more urgent concern than developing new energy sources. However much new building goes on during the next 25 years, well over half the structures that will make up the cities of the early 21st cen-



tury are already in place. And the experts seem to agree that enough can be done to make these existing buildings more efficient consumers of energy to produce the same effect as zero net energy growth by the end of this century.

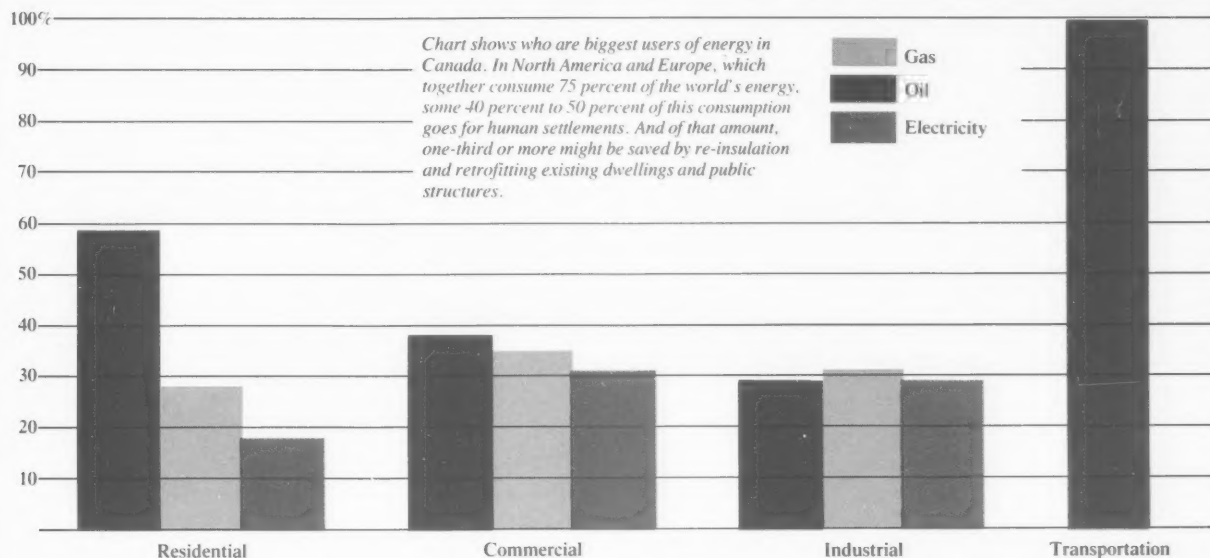
Those who are concerned about nuclear proliferation, and there are many, could take heart in the statement of ECE executive secretary Janez Stanovnik that conservation offers a sound alternative to increased dependence on nuclear power. But he warned that this would require a serious and concerted conservation effort. This must involve the ordinary citizen as well as policy-makers and government officials. "I do not yet see enough official regulation for a serious conservation effort," Stanovnik observed.

In establishing public support for conservation, said Stanovnik, it will be necessary to get across the message that "conservation frees capital for the kinds of activity that will provide more employ-

ment. We need conservation not just because it is morally right not to consume the energy which others need today or will need tomorrow, but because without energy conservation we shall be unable to control the employment and other economic problems of today."

Like all UN conferences, this one had strong overtones of international social conscience. Delegates were reminded time and again that the nations which they represented were consuming 75 percent of the world's energy — by only 25 percent of its population.

"The energy issue is global," said Ingrid Arlin of the Swedish Ministry of Housing and Physical Planning. "Wise management of the earth's resources is indeed important for national well-being, but it must also take into account the equity of international distribution. If this is not done, not only the poor will suffer, but the consequences sooner or later will strike us all."



The need to marshal public support for energy conservation was a recurring topic of the seminar. Speaking to delegates when they returned from a five-day study tour of Canadian energy-related projects, Gordon MacNabb, Canada's deputy minister of Energy, Mines and Resources, suggested the need for "a very comprehensive and vastly improved information program." This would provide "a sound factual and consistent background on energy supplies and demands, clearly indicating what needs to be accepted. Most importantly the program must indicate the alternatives we have both as individuals and as groups of individuals. We have little chance of achieving the solutions we seek unless we learn to communicate better with the public at large. We cannot expect them to take even a mild medicine for illness they cannot perceive."

In an attempt to broaden public awareness and understanding of energy problems, the ECE, which runs 25 to 30 similar

seminars every year, plans to break new ground with this one. Much of the massive documentation will be published and promoted by a commercial publisher. If this works it will be something of a breakthrough for the UN, whose often-stodgy documents typically receive very limited distribution.

This seminar's documents include a series of more than 40 papers on various aspects of the subject matter. These were prepared by the participating governments (often the officials who came to the seminar as delegates), with a dozen other papers handed out during the seminar. In addition, a report on the discussions in Ottawa was produced, including specific recommendations for national or international action. None of these appears to be earth-shattering, but several include simple, practical steps which could be taken, and if they are, would make the whole exercise worthwhile.

To maintain some kind of order out of the wide-ranging discussions, the agenda and

the final report were divided into three: 1) Overall policies and strategies relating to energy; 2) Impact of energy considerations on community planning and development; 3) Impact of energy considerations on the design, construction, improvement and utilization of buildings. The recommendations will be reviewed in future articles.

Patrick Hailstone is a freelance writer living in Toronto, who specializes in environmental subjects. He worked on preparations for Habitat: The UN Conference on Human Settlements held in Vancouver in 1976.



The Main Street Project

Downtown Economic Development within the Context of Historic Preservation

by Susan R. Garber

Many examples across the country prove that older buildings can be recycled to meet the needs of contemporary life, often more inexpensively than new buildings could be constructed. The marketability of a distinctive image patterned after an older building or area has added many developers to the ranks of preservationists. Tax benefits available under the Tax Reform Act of 1976 further increased interest in preservation.

But the prefab technology along with a desire to emphasize the historic features of a building can have disastrous results in cases of quick rehabilitation. Buildings in the Midwest, for example, where there was no colonial architecture, suddenly sprout colonial details; their true heritage as stately 19th century commercial buildings with intricate ornamentation and expansive display windows is lost under a fake historic style. Often only the first floor has been altered, cutting off the upper facade. The upper facade then seems to hang suspended, floating above storefronts modernized by merchants striving to compete with shopping malls by imitating their architecture. Homogeneous metal screen fronts and modern cedar-shingled mansards often mask truly unique building details. Aluminum screening begins to creep further up the facade, enveloping entire buildings, turning them into huge signs.

Commercial lettering of intricate ornamental design is viewed through window of barber shop in Madison, Ind.

The National Trust for Historic Preservation believes that each community is unique and that its architectural heritage is a living reminder of its collective past. The identification which people feel as a part of the continuity of life in their community is basic to their active participation in that community. Older downtown commercial centers developed in response to a variety of factors to become the focal point of the community. By understanding the evolution of the town center, local residents can set their own lives into that context. Maintaining an architectural link with that past can help current residents maintain their sense of identity and continuity.

Most intact commercial buildings have survived through neglect, in areas which have not felt development pressure (usually due to a mixture of economic decline and the movement of new development out to the highways). Main Street commercial areas have been left behind as new commercial strips and shopping malls siphon away traditional anchor stores — the large chain department stores — and create a new focus for the community on the outskirts of town.

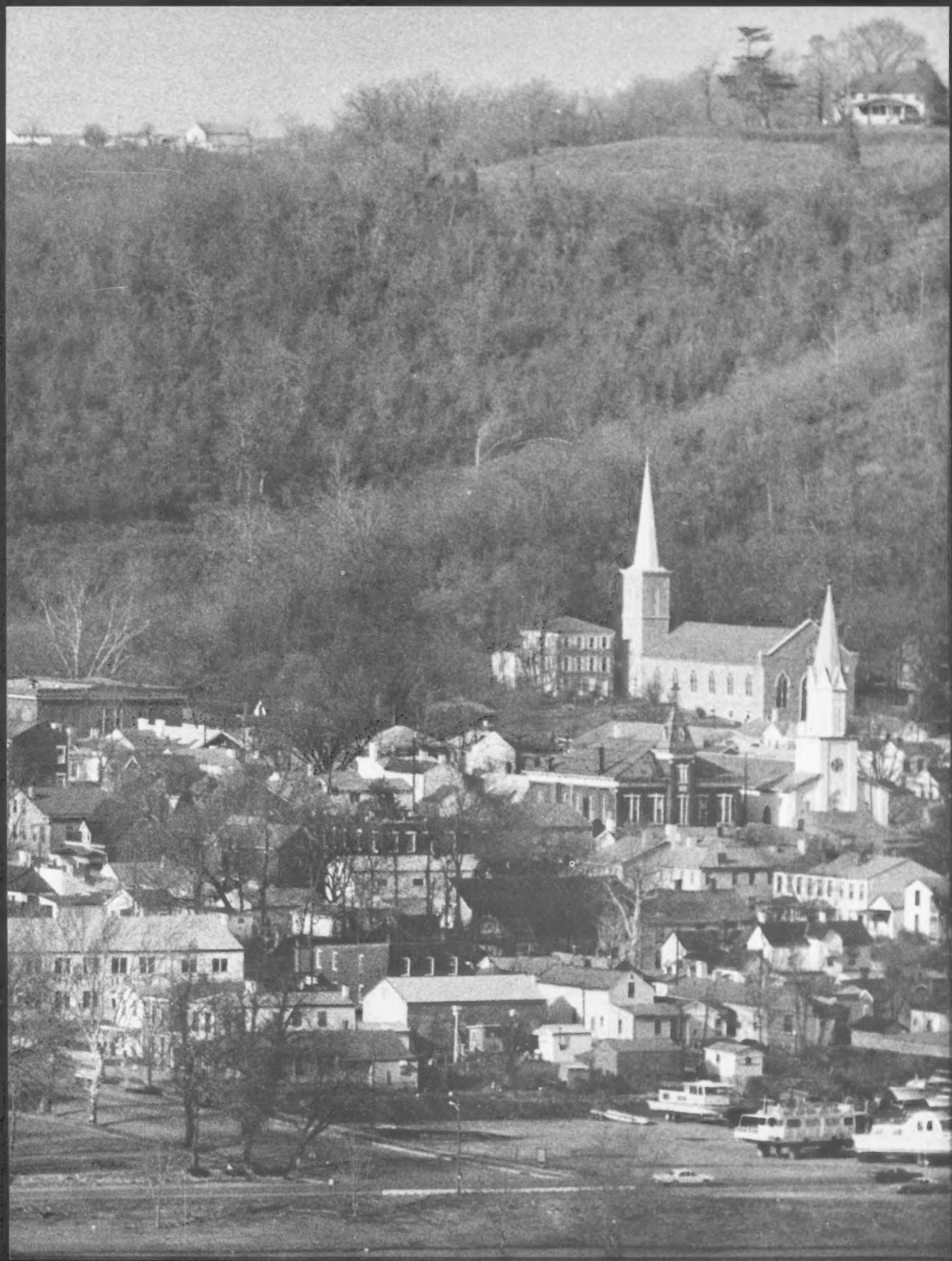
Is Main Street still economically viable? Does it need major anchor stores to survive? Can it compete with the shopping malls? Can Main Street be successfully marketed as a shopping center without resorting to fake history and period pieces? Can we prove such success through hard economic data?

Main Street: The Project

The Main Street Project was developed to examine this phenomenon, to analyze the economic, as well as the design aspects of the problem, and to encourage economic revitalization within the context of historic preservation. It is a 3-year demonstration

project administered by the Midwest Regional Office of the National Trust; it grew out of an overwhelming interest in commercial center revitalization in communities of all sizes in the region. Because the Project's planners realized that physical improvements without a sound economic base would result in a short-lived cosmetic treatment, the Project is concerned with the entire issue of economic revitalization, and seeks to prove that preservation and enhancement of the existing physical fabric of the commercial core can result in measurable economic gains.

The Project is based on three Midwest communities, competitively selected from 70 applicants, with a concern for reflecting a range of situational factors including population size and composition, location, extant architecture and economic outlook. In the first year of the Project, economic and design consultants analyzed each town and made recommendations relating to downtown revitalization. For the next 2 years, local Project Managers are working with each town to use these reports in implementing the broad range of activities necessary for revitalization; broadly grouped, these are (1) private building improvements (especially facade renovation and sign redesign), (2) public improvements, and (3) economic development strategies. Economic analysis will continue throughout the Project, as one of the major goals is to accomplish what other revitalization efforts have failed to do — accurately measure the prerevitalization data in order to have a yardstick for monitoring and comparison during the revitalization effort.



Madison, Indiana

Madison, Indiana, population 13,600, has the most advanced understanding of its architectural heritage of the three demonstration communities. Historic Madison, Inc. (HMI) was founded 18 years ago to preserve the largely intact Federal and Greek Revival residential neighborhoods which surround Main Street. More recently, HMI has turned the town's attention to its Main Street, a remarkable collection of Italianate three-story red brick commercial buildings. Madison is on the route of the Delta Queen riverboat tours on the Ohio River, which is two blocks from Main Street, and HMI's annual house tours, self-guided walking tour and house museums draw thousands of tourists each year. Madison had been a prosperous riverport until the shift to rail traffic after the Civil War ended its prosperity, preserving its architecture as a by-product.

Madison's merchants are conscious of the value of downtown's architecture in drawing visitors but keenly feel competition from a modern commercial strip on the bluff above the town. The major chain stores have moved to the hilltop, but economic analysis by Shlaes & Company has indicated that Madison remains the center for service establishments, specialty items and personalized service; in addition there is room for retailers of high quality personal goods. The merchants have begun to discuss the problems together, but have not yet acted in concert. The Madison Business and Professional Association is an active group, sometimes at odds with the Chamber of Commerce. (There are many issues in Madison which keep controversy brewing, especially the Marble Hill nuclear power plant now under construction.)

The visual impact of Main Street itself (which also serves as a State highway) is somewhat confused, and design consultants Miller, Wihry and Lee of

Louisville, Kentucky have attempted to deal with this through a public improvements scheme. A local committee worked with the firm on the development of this scheme. Their interest in its every facet is an illustration of how seriously people approach these issues in Madison. The first concept called for extensions of the sidewalk at crosswalks to shrink the width of the street ("neckdowns"), a regular pattern of large-size tree plantings to screen two municipal parking lots. While the concept was generally applauded, the citizens reviewing the plan were concerned about the modernistic styles of the lights, benches, trash cans and paving pattern, "neckdowns" and formal planting pattern. A long discussion ensued, reexamining the goals of the public improvements scheme, defining the character of Madison which was to be enhanced, etc. The "neckdowns" and modern designs were abandoned, and more sensitive designs suggested. The heavy plantings have been thinned out to allow for store signs to be visible, and a more organic planting pattern developed. The willingness of the designers to rework this plan to reflect the views of the local community are crucial to its chances of acceptance and implementation by the community. The hours of time volunteered by the members of the committee are further illustration of the dedication of Madison residents to protecting their unique asset of character.

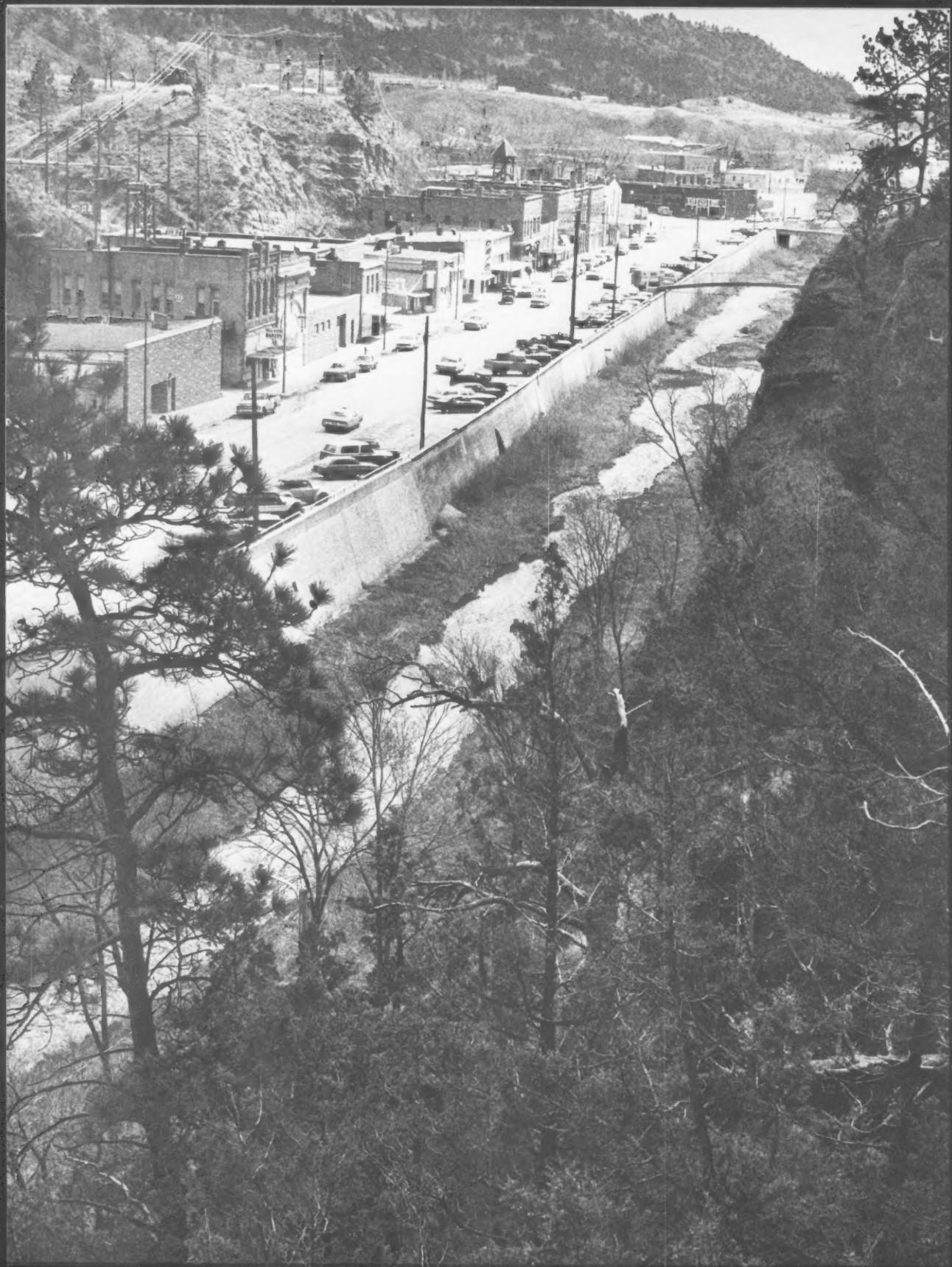
The central Project office is producing information as it becomes available, based on the experiences of local demonstration communities. These local experiences are not seen as guides for other communities to use in tailoring programs to suit their unique local situations. This information is being produced by the National Trust as supplements to its newsletter, *Preservation News*, articles in *Historic Preservation* magazine, Information Sheets, a handbook, a film, and three national conferences, jointly sponsored by the National Trust and the Chamber of Commerce of the United States.

The Project is funded largely by Bird & Son, Inc., manufacturers of building materials. This support by a major corporation indicates the growing appreciation by the business community of combining preservation and economic development strategies. The Project is also supported by grants from the National Endowment for the Arts, the Bush Foundation of St. Paul, Minnesota, and local sponsors in each demonstration community.

In all three demonstration communities, it seems the process of working with a community, nurturing local capabilities is at least as important as the "product" or physical results.

Leadership is a crucial element, and many of those well-suited to it will already be too busy to take it on. Therefore professional locally-based staff seems the best solution. A group of enthusiastic supporters with advice from skilled regional, State or other outside professionals can be effective, but our experience suggests one local person must be ultimately responsible for organizing the effort. Consultants can also be helpful, but not before the community has a clear definition of the overall project goals and of the exact tasks the consultants are hired to accomplish. Again, the community must ensure that the consultants obtain community input as they do their work.

Main Street or downtown revitalization is a complex issue; it encompasses every facet of small business management, building preservation, merchandising, public space management, real estate, and the visual environment. For many older communities economic development within the context of historic preservation is the most sensible method, and perhaps the only method, to assure a strong future for the downtown area. It's as simple and as complex as George Baird's observation, "If you don't have a Main Street, where do you hold the parade?"



Hot Springs, South Dakota

Hot Springs is the smallest of the demonstration communities, with a population of 5,000. Located alongside the natural hot spring of the Fall River, the downtown is a striking assemblage of native Lakota sandstone buildings set into sandstone cliffs. Unfortunately, the Army Corps of Engineers erected a stark concrete flood control wall in the 1950's, cutting off all visual connection with the river, except in winter when steam rises and wafts along the main street. Unorganized angle parking is permitted along the wall, and in several clay (unpaved) lots. Hot Springs has always attracted vacationers and retirees, as it is very close to Mt. Rushmore, the Badlands, a number of national and State parks and forests in the southern Black Hills, and is the home of Federal and State veterans domiciliaries. The tourist potential is enormous, and that, along with new mining operations and resultant population growth, and the discovery of a paleontological site in the downtown area, is necessitating comprehensive planning for the first time.

Perhaps because it is a small town with no municipal bureaucracy, or because the Western lifestyle and the strong interaction with nature attract and nurture independence, the people of Hot Springs exhibit a strong self-reliance and confidence in their ability to accomplish major tasks. The local contribution of \$11,000 required by the Project was raised by private contributors, largely from downtown merchants. (The City's annual budget is just that much.) Recent years have seen a local development corporation form to develop a feedlot, and continue with efforts to develop a major downtown building, the vacant Evans Hotel, into subsidized elderly housing. (A HUD Section 8 grant was awarded to the

project.) The town organized a committee to seek National Park status for the paleontological Mammoth Site, and considered purchasing the Evans Plunge, a public bath which is fed by the hot springs of the Fall River, until local entrepreneurs purchased it. A local woman has established a private historical museum of local history, and the downtown is a local, as well as a National Register, historic district.

Yet Hot Springs does not have a very active merchants association. The Chamber of Commerce runs a visitor information center in an old railroad depot (cited as the first example of railroad station adaptive reuse in the country, 1938), but has not forged a collective sense among the merchants; perhaps their self-reliance and independence prohibit easy organization on issues relating to business. The threat of a new mall developing 60 miles away in Rapid City and the efforts of Project Manager Scott Gerloff recently fostered some cooperative action such as the decision to stay open late one night a week, and to sponsor a major Christmas promotion.

The economic consultant, Shlaes & Company, recommended that Hot Springs carefully tap its vast tourist potential, aiming their promotion at families traveling through the area who need to to shop for provisions and personal articles. Merchants would have to extend their hours, upgrade the tourist information center and publications, and advertise at the sites tourists visit in the area, in the larger newspapers in cities where most of the tourists originate and in national and regional magazines. But things move slowly in Hot Springs; merchants who move here for the fishing seem unwilling to stick to uniform hours or to work long days.

Many buildings do not need major work, the native sandstone having worn very well. Removal of paint, maintenance work and a redesigned sign is often all a building

needs; an architect hired through a grant from the State Historic Preservation Office (SHPO) is working with merchants on design improvements, and on developing vacant second-story space into offices or residential units.

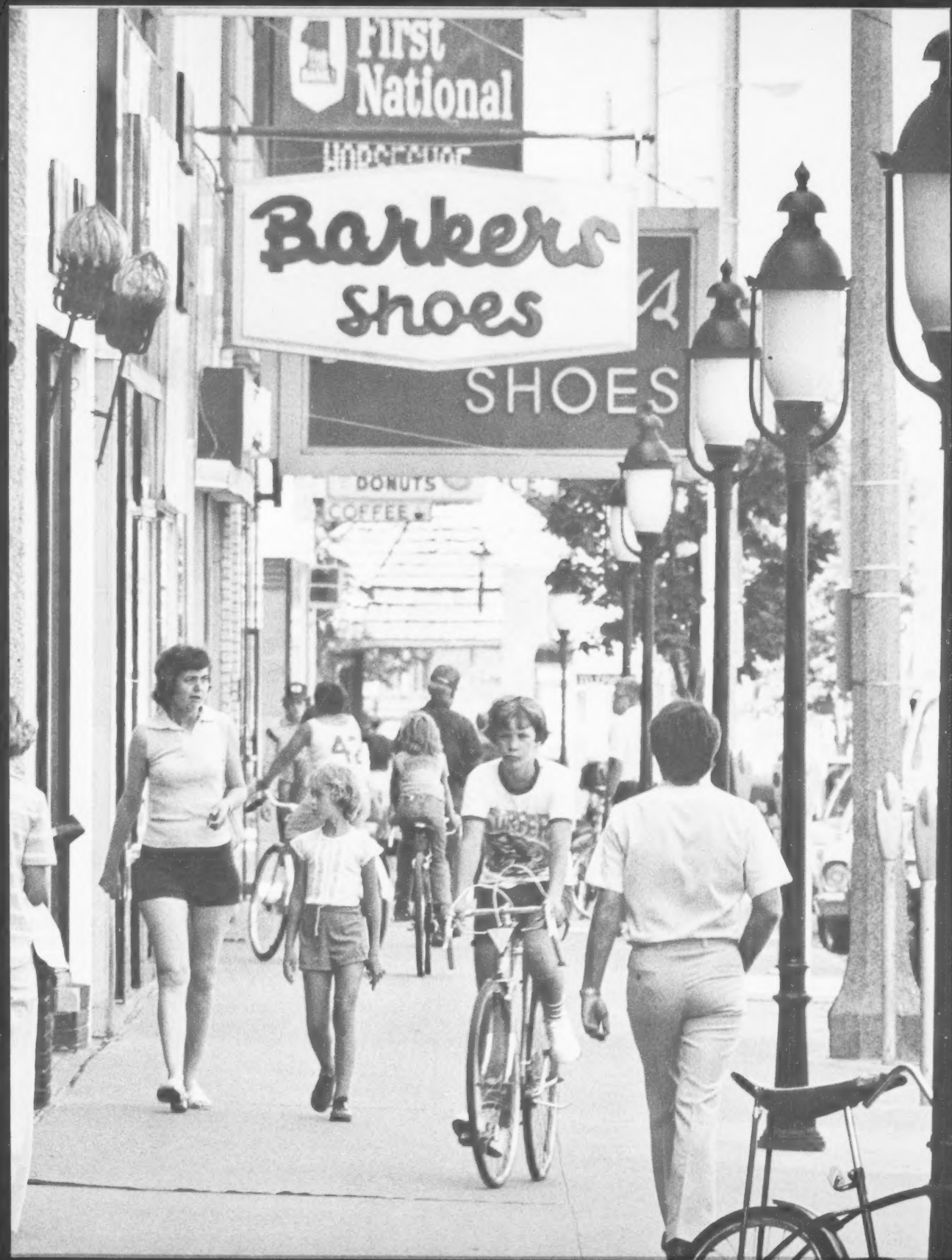
Project Manager Scott Gerloff has proved most effective in working with the local community. In addition to the grant for architectural services, a number of commercial property owners have applied for grants from the newly established South Dakota revolving fund for National Register properties. In addition, Gerloff has secured a South Dakota Arts Council grant to publish historic walking tour booklets, and worked with the Regional District Planning staff to research other funding possibilities for the public improvements recommended by preservation/Urban Design Inc.

The design consultants, Preservation/Urban Design Inc., concentrated on public improvements to the rather dry-looking commercial area. They proposed a scheme for emphasizing the entry points to the commercial area, softening the impact of the flood-control wall by establishing five planting areas which overlook points to the Fall River, visually closing off a back service street to further emphasize the main commercial street below, and improving the dirt parking lots by organizing the space, planting and perimeters and screening some visual intrusions such as storage tanks. This plan would be a major undertaking for a city this size, but the improvements can be phased, and provided funds can be found, the citizens are enthusiastic about the design. In fact, some local property owners have begun to discuss implementing the parts of the scheme which touch their own properties on an individual basis.

Galesburg, Illinois

Galesburg is the largest of three demonstration communities; it has a

View from rocky hillside above Hot Springs, S.D. Large planting areas have been designed under Main Street Project.



population of 38,000. It has a downtown of 19th and early 20th century red brick commercial buildings, largely classic revival in style. Knox College, located on the fringes of downtown, has several distinctive buildings, including Old Main, the site of a Lincoln-Douglas debate. Galesburg's history is linked to the railroads; five major lines cross here, and it is still the only city of its size in the country with two Amtrak stations. As railroading declined, the city saw less economic activity, until a large regional shopping mall opened within 2 miles of downtown 3 years ago. Downtown lost several large retailers to the mall, and the mall became a divisive issue in the community. Only recently have some of these wounds begun to heal.

Following enabling State legislation for special tax assessment areas, a \$2 million downtown public improvements plan was completed 3 years ago, and the Downtown Village council formed to maintain these areas. Unfortunately, design of the public improvements includes inappropriate items such as horsehead hitching posts, and cedar shingled bus shelters and kiosks, and some irrelevant details such as free-standing brick arches, and bricked squares with planting tubs and benches which jut out into the parking lane, absorbing a space without making a significant aesthetic improvement. In addition the improvements are worn very badly. They do not enhance the quality of the visual environment; in fact, they attempt to create a "village" atmosphere which never existed in Galesburg. The merchants in the special tax assessment area will be paying for them for nearly 20 years.

As the economic consultant, Shlaes & Company of Chicago, pointed out in its report, the mall's greatest strength is its management. Downtown cannot compete on the mall's terms, but it can sell itself as an alternative shopping center if it capitalizes on its strengths and learns management and promotional tactics from the mall. The shopping mall management

is a single firm which consciously balances types of tenant-merchants in order to achieve a good mix of merchandise. It writes into each lease requirements regarding design of space and signs, extended uniform hours, dues-paying membership in the mall's merchants' association, mandatory participation in joint advertising campaigns and major promotions, and fees-paying for regular maintenance and security of the mall's public spaces. Professional staff manage these operations, and produce professionally-designed promotional materials. The economic consultant advises that Main Street merchants must voluntarily organize to replicate the mall's organizational ability, and then market itself in a consistently professional manner, exploiting its unique assets – its architectural variety, human scale and sense of its place in the life of the community.

The economic consultant also recommended more subtle strategies for Main Street commercial areas. It urges outreach to new entrepreneurs (especially owners of businesses in other towns in the region who might be ready to open a branch, rather than national chain stores which demand formula parking ratios or modern single-story floor space); identifying voids in types of merchandise available and encouraging merchants, old and new, to expand their lines to fill them (especially specialty goods not usually available at malls, and restaurants to make the alternative shopping centers of Main Street attractive to the growing number of shopping-as-recreation consumers); an emphasis on personal service; expanded use of rear entrances and alleyways to make the *visual* connection between stores and the usually adequate number of parking spaces located behind Main Street's commercial buildings; and other pedestrian amenities such as awnings, benches and sidewalk activity (sidewalk sales, pushcarts, food vendors) to encourage *pedestrian*, and *shopper* activity.

With the advice of Project Manager Clark Schoettle, the Downtown Village Council is attempting to solve some of the problems with the public improvements and to better organize to handle its many duties. The merchants promotional group has re-emerged as a distinct entity and is attempting to get wider cooperation on group actions, such as promotions and evening hours. Thought is being given to forming an economic development corporation which would concern itself with downtown, as well as with the mall and industrial development. And the Downtown Village Council, upgrading its own image, has renamed itself the Galesburg Downtown Council, and redesigned its logo. Schoettle has also been very successful in helping local citizens see their architecture for the first time. He photographed much of Galesburg, and has presented slide shows to many groups which highlight the unusual and often unnoticed details of commercial architecture. He also uses his photographs and sketches on an overlay of tracing paper to illustrate the improvements merchants might make to enhance their buildings – the merchants can literally see the effect of the proposed changes, and are much more willing to consider changes.

Merchants also have a Building Improvement File, produced for the Project by Preservation/Urban Design Inc. of Ann Arbor, Michigan, to help them in planning such work. Schoettle even has been able to change some plans while the building contractors are at work. Often decisions regarding materials, detail work, etc., are made during the renovation process, and there is no substitute for having an articulate and enthusiastic spokesperson on the scene.

Ms. Garber is Administrator of Main Street Project, Midwest Regional Office of the National Trust for Historic Preservation, Chicago, Illinois.

A Program of Business Assistance

by Neal W. Nathanson

A number of cities are now undertaking efforts to create programs to assist small businesses in their communities. For years, the importance of the small business sector in the overall urban economy was not fully recognized or appreciated and many public policies tended to work against the interests of small business. However, recent studies have demonstrated that the small business component of the local economy is a significant provider of jobs, income, and tax revenue in cities. For that reason, cities are realizing the need to bolster the small enterprise segment of the local economy.

Historical Perspective

Public sector small business assistance programs have evolved over the last 10 to 15 years. A few cities have operated offices to assist businesses with licenses, permits, code, and zoning problems. In the 1960's, industrial development authorities, often at the county level, emerged to take advantage of Economic Development Administration industrial park programs and to issue industrial development revenue bonds. During the mid-1960's, the various minority enterprise programs — OMBE, Model Cities (HUD), Office of Economic Development, Small Business Administration, etc., — were recognizing the need to stimulate minority business ownership through technical and financial assistance. None of these, however, operated directly out of city departments.

With the advent of Community Development Block grants, cities began to con-

sider more comprehensive, direct methods for assisting small businesses. The particular programs have taken a variety of forms depending on local goals and priorities, available resources and capabilities, and local legal and institutional arrangements. The following outlines a basic approach to creating a small business assistance program drawing on experiences of several cities.

Generalized Program Form

A financial assistance program for small businesses contains four elements:

- A *policy context*, to focus and guide the activity
- A method of *opportunity identification*, to identify viable development projects
- The *financial mechanism*, which is the basis or nature of the assistance, and
- A *packaging capability*, to carry out the specific development projects

Policy Context

The policy context is a statement of the objectives of the program, the criteria under which the assistance can be provided, and the institutional interrelationships through which the program is carried out. The statement of objectives for a small business assistance program typically contains some or all of the following:

- Increase in jobs
- Minority entrepreneurship
- Stabilization of downtown or neighborhood commercial areas
- Strengthening of the city tax base
- Use of idle city land

From this statement of objectives then can be derived a more specific statement of criteria under which individual businesses become eligible for assistance. Specific criteria will include:

- Economic and financial viability factors
- Specific size criteria

- Degree of labor intensity (jobs created vs. public investment)
- Locational considerations (priority target areas)
- Types of businesses assisted (manufacturing, commercial etc.)

Some of the criteria are predetermined by the particular financial mechanism used. For example, when SBA programs are used, the loan recipient can be only the business owner, not the landlord. Practically all Federal programs have criteria limiting the size of eligible businesses or the amount of financing available.

With respect to the institutional interrelationships, there is a wide variety of possible forms. In some cases the technical staff is part of the City staff (economic, community development or planning department). In other cases, the technical staff is part of a quasi-public corporation with some legal or contractual relation-

ship to the City. In many cases, the technical aspects of the program are subcontracted to private organizations operating under public guidance.

When the program contains a direct lending component (as further described below), the lending is usually done through some pass-through mechanism, since the city charter or operating policy often precludes direct investment in small businesses. Where such entities are created, the technical staff is often part of that entity instead of being City staff.

Opportunity Identification

Opportunity Identification is the element of a business assistance program on which hangs success or failure. Unless the program starts with viable opportunities, the financing is likely to be impossible, and success unlikely.

One method employed by some programs for improving the probability of success



in a lending program is to concentrate on expansions of existing businesses, rather than new startups. Such businesses have a history from which to predict the future. Such a policy, however, is likely to reduce the access to the program by minorities, since fewer minorities tend to have a history of business ownership. A good compromise position is to encourage transfers of ownership, where going businesses are purchased from older owners by younger, more innovative individuals.

A retail market study can be an effective form of opportunity identification. Through such a market study it is possible to identify store types or product lines which are not available in the market area, even though there is consumer demand for such products.

Another source of business opportunities could be subcontract supply or services.

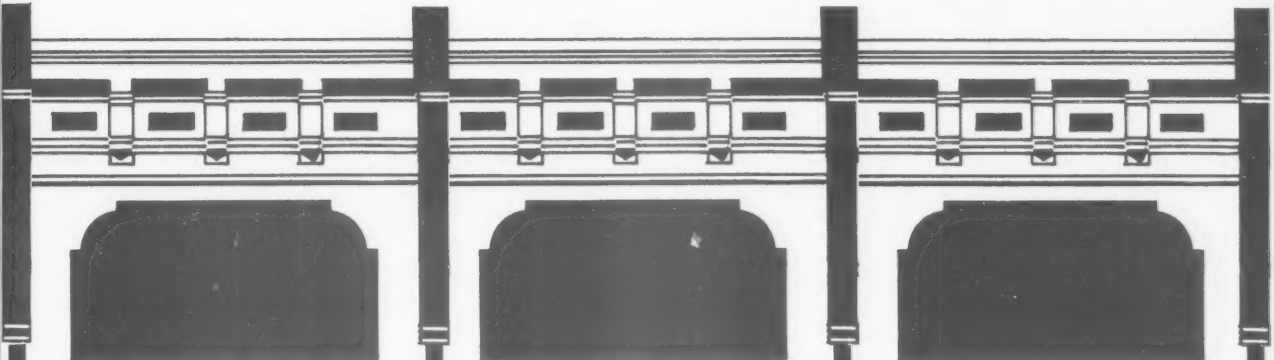
Many times larger manufacturing plants located in the area need parts or services which can support small local businesses. Similarly, purchasing by government departments or programs such as housing rehabilitation can provide the market for locally owned small businesses. Banks and other financial institutions participating in a program can be an excellent source of information on business opportunities. Bankers often know of the availability of businesses or real estate which is for sale. Where the program has an independent lending feature for higher risks or equity supplements, the bankers will refer the less bankable deals to the program.

The presence of a public sector participant in development activities can create opportunities which otherwise may not exist. The ability to use eminent domain and land writedowns can make a development possible where a private developer may not be able to put together the devel-

opment on his own. This public-private partnership is extremely important in a business assistance program, and in many cases can spell the difference between success and failure. The presence of the local government is required with some Federal financial mechanisms, notably the Urban Development Action Grant program.

The **financial mechanism** is the method by which the financial assistance is provided. In general, there are four ways that financial assistance can be provided to a business. They are through reduced interest rates, lengthened payback terms, reduced risk to a private lender, and reduction of other business operating costs.

There are now quite a number of Federal, State, and local programs which now exist or can be created. An effective busi-



business assistance program will draw on the full range of available incentives and mechanisms, using one or more where appropriate.

Packaging Capability

The ability to put together opportunities with financial mechanisms is the *packaging capability*. A financial package is a business plan with supporting documentation which is used as the basis for a lending decision. Emphasis should be placed on the "business plan" aspect of the package. Financing decisions are made on the basis of a complete analysis of all aspects of the business operation. A major function of the packager is to present the relevant facts and provide sufficient documentation to allow a lender to make a lending decision.

In addition to simply a basis for a credit decision, the business plan is an important management tool for the business

operator. Most small businesses do not operate with a long-range plan, and the absence of such a plan is often the reason for operating difficulties or failures. Apart from financing, the assistance provided in the form of business planning and similar technical assistance can be extremely valuable to small businesses.

Business and Capability Requirements

A business assistance program can be carried out at a variety of scales of operation. The Philadelphia Citywide Development Corporation employs over 30 persons and operates with an administrative budget in excess of \$700,000. However, in smaller cities, programs can be developed with more modest budgets and still provide significant impact on the local economy.

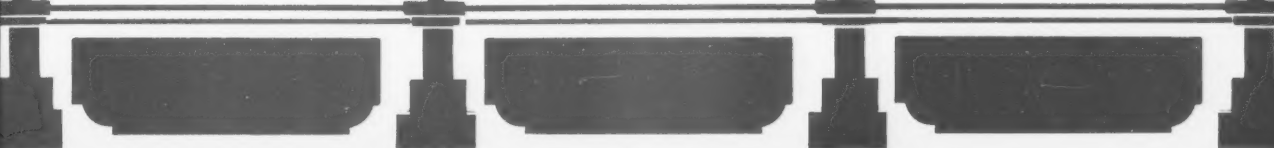
An effective program can be developed with a staff of three to five professionals,

with the following capabilities: management/policy direction, financial packaging, and operational/technical assistance.

In a larger program, additional skills which are useful are: real estate development, retail merchandising and manufacturing-technical skills.

Attainable Goals

As a general goal, each full-time packager should be able to finance 10 to 15 businesses a year, depending of course on the complexity of each deal. Typically there will be a mix of business sizes and financing requirements. However, assuming an average of \$50,000-\$60,000 per deal, the output of each packager should be in the range of \$500,000 - \$900,000 per year. The dollar output will be significantly lower if the program is related to a commercial revitalization effort in which a large number of relatively small rehabilitation loans are developed.



It is usually advantageous to create a locally managed loan fund which can be used for small loans or equity supplements. Such a fund can increase the attractiveness of the packages and leverage private loans, and also provide a quick method for financing smaller packages.

The financial resources required, then, for a small business assistance program are in the following general range:

| | Minimum Effort | Active Program |
|---------------------------------|----------------|---------------------|
| Staff Administration (annually) | \$50,000 | \$ 75,000-\$100,000 |
| Loan Fund* | \$50,000 | \$200,000-\$300,000 |

*These funds will return to the program as loan repayments, but several years may be required

for repayment. Therefore, additions to the fund may be required from time to time.

With respect to benefits, packaging of \$1 million in small business loans can be expected to generate the following returns:

Business Revenues \$1,500,000-\$3,000,000 (annually)

| | |
|--------------|--|
| Jobs | 75-125 |
| Tax Revenues | depending on type of business, local tax rates, etc. |

Conclusion

A program of small business assistance can result in significant economic and political benefits for a city government. Such a program is considered an eligible use for Community Development Block Grant funds. Furthermore, such a use of Community Development funds can leverage many times that amount in private and other public investment. Beyond

this, it is a method for generating long-term employment.

It should be realized, however, that the development and operation of such a program is complex. There is no large base of experience in the operation of such a program, and it will be necessary to develop staff capability. The first year's operation is likely to be largely devoted to creation of the various relationships and mechanisms, and output will not be at the peak level. However, it should be possible to show some results at the end of one year, and it is possible after several years for such a program to become self-sustaining through loan repayments and interest earned on loans.

Mr. Nathanson is Vice-President of the National Urban Development Services Corporation, Wash., D.C.

Notebook



The National Association of Home Builders says condominiums are bought in greater numbers by either retirees over age 55 or single persons under age 35. The median age for "condo" buyers in 1977 was 44, while the typical buyer of a single family home was about 34. More than 50 percent of condo buyers had previously owned a home, a large portion of those homes being detached.

Privately owned single-family homes in the U.S. have an aggregate value today of more than \$2 trillion and represent the single largest category of assets in this country, according to the National Association of Realtors. A report prepared by the association points out that \$2.2 trillion represents one-fourth of the entire wealth of this Nation and adds that if this sum were divided evenly between every man, woman and child, it would amount to slightly more than \$10,000 per person.

The functions of six different disaster aid offices will be combined to create a new and centralized Federal Emergency Management Agency. The initiative was carried out by an executive order signed April 1. Until the reorganization is complete and appropriate quarters are found for the estimated 2,400 persons the agency will eventually employ, it will operate out of the Fire Administration's offices at 2400 M St., N.W. in Wash., D.C. The transfer of three other agencies into the new office will complete the process. They are the Defense Civil Preparedness Agency, coming from the Defense Department; the Federal Disaster Assistance Administration, from HUD; and the Federal Preparedness Agency, from the General Services Administration.

A home constructed of materials designed to absorb and retain the sun's heat and release it later as needed is an example of a home utilizing a passive solar system. HUD recently made 242 awards - totaling \$1,396,000 - for design and construction of homes using passive solar systems for heating. Passive solar systems require no specialized equipment to make use of solar energy. By using elements of the building structure to collect, store, and circulate the sun's heat, passive solar systems provide space heating and assist space cooling with minimal use of additional energy to drive pumps, fans, or other mechanical equipment.

In an effort to save consumers time and money, HUD's Division of Consumer Complaints will periodically analyze inquiries received and publish answers to the ten most frequent questions. HUD recently received an outstanding performance rating for its handling of consumer complaints and inquiries. (See *Challenge!* April 1979.)

The National Endowment for the Arts recently announced the award of 22 grants under the Expansion Arts Program to help organizations present arts festivals using community-based arts groups from a regional area. Regional tour events began in 1974. Under this category more than 100 festival-style arts activities have been supported. Regional Tour-Events in 15 States and the District of Columbia were among those announced last May 7. The average matching grant award for fiscal year '79 is \$7,200.

The cost of buying a home ranks as the number one concern for 94 percent of companies that transfer executives from low-cost to high-cost areas, according to a survey of 50 firms by Employee Transfer Corporation of Chicago. Combined with the prospect of higher real estate, income and sales taxes as well, housing costs reportedly are causing a significant number of employees to refuse to move to another city. At the same time, companies are starting to question whether moving costs estimated at \$20,000 per executive are worth it.

HUD recently announced an increase in the maximum allowable charges for FHA-insured mobile home financing, from 12 percent to 12½ percent. The maximum finance charge allowable for a mobile home lot loan, and a combination of mobile home and lot loan, was increased from 10½ percent to 11½ percent. These changes became effective on May 7.

Making Neighborhood Revitalization Work

By Edward S. Dulcan

Since 1974, the National Center for Urban Ethnic Affairs (NCUEA) has provided technical assistance to neighborhood organizations, merchant and resident, involved in commercial revitalization programs. During the 4-5 years of experience in the development and implementation of commercial revitalization, the neighborhood economic revitalization staff at the National Center translated its ideas and goals into the reality of successful neighborhood-based programs. The observations of the NCUEA staff based upon this experience may be instructive for any organization, private or public, involved in neighborhood commercial revitalization.

First, a three-way partnership must be established. The private sector (retail merchants, local businesses and financial institutions), the neighborhood sector (representatives of community organizations, block associations and community institutions) and the public sector (local government) must be committed to the project. An organization which represents these three groups, provides a forum for an exchange of ideas, information and the effective coordination of resources. In programs throughout the country that have successfully conducted commercial revitalization programs, either a formal or informal mechanism existed for this three-way partnership.

The structure of an organization designed to include participation by the public,

private and neighborhood sectors can take different forms. Many of the early commercial revitalization programs formed a nonprofit corporation with a board of directors that included representatives of the three sectors. Later the use of the Small Business Administration local development corporation (LDC), primarily a vehicle for channeling long term fixed asset financing to eligible small businesses, was the option preferred by some neighborhood organizations. Since the local development corporation could be structured as a private nonprofit corporation and required the participation of 25 people, it provided an organizational structure which easily incorporated diverse representation. In addition, as a nonprofit corporation, the LDC could serve as a conduit for financial assistance to small businesses while it exempted those businesses from financial liability.

Once established, an organization must have the staff to implement decisions and programs. While volunteer efforts are often crucial to initiate and support an organization, comprehensive or long term programs require full-time hired staff. The paid staff does not have to be large — successful projects have been conducted by staffs which included only one professional and a secretary. Staff assistance is especially important for commercial revitalization projects because small business people often cannot leave their places of business for any substantial length of time.

A comprehensive commercial revitalization program requires the development of skills in a wide range of areas. If a staff cannot provide all these skills, technical expertise and assistance can be provided from other resources: city staff, local residents, outside consultants or Federal programs. Short term, one-time activities can be supervised by consultants with specific expertise.

Private or public sources can assist longer term efforts. In many cities with innovative neighborhood-based programs, community development and CETA funds are utilized for staff and program activities.

The site for revitalization must be carefully determined. The variety and number of stores in a commercial area are an important consideration. The commercial strip must be large enough, 30-40 retail stores, to generate a response to program efforts. Also, the target area must be both concentrated and cohesive enough to stimulate a cooperative merchant response. For example, on a 30-block strip with an average of two stores on a block, the merchants at either end may not recognize the impact that the program may have on their business. In an area where stores are not within easy walking distance of one another, it might also be difficult to convince merchants of their common interest and the need for collective response.

Local resources and the market potential of a commercial area should also be considered in the site selection process. Local resources would include such diverse factors as merchant willingness to participate, physical amenities or structures, or the support of local financial institutions. Many revitalization programs conduct marketing and retail surveys to determine the potential retail market and needs of the surrounding neighborhoods.

In many neighborhoods, surveys or studies have been conducted that failed to generate subsequent program development. Often these studies remained useless documents because they recommended unrealistic revitalization programs that did not relate to a realistic assessment of current neighborhood resources and expertise.

It is critical that projects conducted in the early stages of revitalization are



realizable. As initial program efforts, short term, visible projects are more important than the preparation of long term extensive plans. The confidence of the organization will be established with the completion of a modest goal; the momentum for further accomplishment will build upon that success. As each step or project is completed, merchant and community residents will gain confidence in the organization and their own capacity to conduct more extensive revitalization activities.

The establishment of realistic goals should also result in the presentation of visible activity and progress in the neighborhood. In commercial revitalization, simple but visible early efforts might include promotional activities such as collective sales days and advertising. Such activities can be as small-scale as a collective sales day or as involved as the Atlantic Antic, a New York City neighborhood festival that draws thousands of attendants each year. The specifics of the promotional activity are less important than the positive publicity and increase in sales that it can generate for the commercial strip.

Short term and then ongoing visibility of revitalization programs is an important signal to both residents and merchants. Merchants must be convinced of the financial benefits of participation in any revitalization program. Those merchants who previously chose not to participate may be convinced to reconsider if presented with visible revitalization project successes that may lead to increased business volume. Visible progress and positive publicity also work to generate resident involvement, both as shoppers in the area and concerned community members.

Finally, the *sine qua non* of an effective neighborhood economic revitalization program is active strong leadership growing out of the business sector. While an able staff director of the implementing organization plays a critical role, the leaders of the merchants association must be able to gain the confidence and membership of the bulk of the neighborhood businesses.

While able staff members can provide expertise and program skills, the leaders of the business community must be able

to gain the confidence and involvement of neighborhood business people. Storefront renovation, promotional activities, attendance at meetings, security programs and other revitalization programs all require the active participation and contribution of neighborhood merchants. Experience has demonstrated that strong neighborhood leadership at the local level is necessary to encourage and mobilize this participation.

The increase of activity and interest in neighborhood commercial revitalization during recent years is clear evidence that neighborhood commercial revitalization is an idea whose time has come. While each neighborhood may require programs designed to meet specific needs, successful revitalization efforts have almost always incorporated many of the factors discussed in this article. A consideration of these factors would contribute to the realization of revitalization programs in neighborhoods across the country.

Mr. Dulcan is a staff member of the National Center for Ethnic Affairs

International Affairs



The Old Town of Stockholm

Few of the current town plans for the area known as "The Old Town" provide sufficiently wide powers to ensure the preservation of this old, historically valuable environment. They are also lacking in regulations as to the location of dwellings, offices, shops and so on. The Municipal Department of Planning and building control has therefore drawn up a proposal for a new town plan for virtually the whole of the Old Town, including advice and guidelines as to appropriate methods of restoring, repairing and maintaining buildings lying within the area. The city Museum and the Municipal Office of Real Estate have participated both in the drawing-up of the town plan and in the preparation of the advice and guidelines.

Town Planning Scheme

In the town planning scheme, virtually the whole area is designated for conservation. There is nothing to prevent the modernization of a building listed as being of special interest provided its original character is preserved. On the other hand, the town plan must be amended if it becomes necessary to erect a completely new building within the area.

The town plan suggests dwellings for almost the entire area – offices and the like being only in those properties especially built for the purpose. In order to keep the streets alive, it is suggested that shops, workshops and restaurants be located on the ground floor along the most important routes.

Proposed Guidelines

Most property owners in the Old Town wish to preserve their buildings in a way which is historically and architecturally correct. The duty to preserve buildings forming part of a conservation area is laid down in the building statutes. The intention of the guidelines is to explain how this preservation should be carried out. The idea is to assist property owners by passing on advice and experience obtained from experts in the various municipal departments.

Historical Background

Stockholm was founded in the 13th century; its oldest part, the Old Town, emerged on the island formed by streams of no great length which run from Lake Malar to the Baltic Sea. The Old Town has a medieval layout, an irregular network with streets from two to five metres wide and closely spaced houses which, to some extent, retain their medieval character. Some renewal has taken place following disasters.

Around the old shoreline, land filling began, providing new land to build on. Structures there were founded on wooden piles, but,

as land in this part of Sweden rises about 40 cm. a century, the piles rotted when appearing above the permanent waterline.

For a long time, the Old Town housed the central business district of Stockholm and was thus under pressure by competition for space. The Central Business District is located outside to the North, but many of the central Government functions still remain in the Old Town. At times, the area has been an overcrowded slum. The costs for repairing buildings there are always higher than for comparable operations in normal structures elsewhere. The outcome is either a neglected slum or a segregated area for the wealthy, neither being a satisfactory situation.

Living and Working in the Old Town

Repairs and maintenance must be considered along with the fact that the Old Town is unique in that it consists almost exclusively of buildings of architectural or historic interest. If one lives or works in the Old Town, one has access to a fine, old environment and to good public transport facilities and service. In return, one must sacrifice some amenities. For example:

- The streets are narrow; so flats and offices are often dark.
- Because of the narrow streets, cars do not always have access.
- Playgrounds and parks are small and few in number.
- It is not always possible to install modern kitchens, bathrooms, lifts and so on.

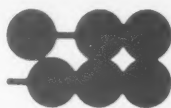
Townscape – External Environment

The buildings in the Old Town have developed over a very long period of time. In the course of the years, many have been altered and enlarged in different materials and styles. For the most part, it is not advisable to try to reconstruct the past, but to preserve for future generations the character of the facades as they are today. The narrow streets and alleys lend the Old Town a special character which everyone wishes to preserve. This character is accentuated by:

- street paving, consisting of large and small paving stones and cobbles;
- street lighting (New lamps modelled on the lines of the old ones will be set up.);
- traffic signs, which are exceptionally few and small;
- shop signs, which usually hang from a wrought iron bracket;
- coloring, which is dominated by shades of yellow, interspersed with red, grey and white;
- windows and window shutters which open outwards; and
- fine old doorways.

*Susan Judd, Information Specialist
Office of International Affairs,
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Lines & Numbers



Trends in HUD/FHA New Single-Family Home Sales

The typical new single-family home purchased with mortgage insurance under HUD/FHA's Section 203 program sold for \$40,828 in 1978. This represents a 12 percent increase over 1977, which is twice as great an annual increase as in the previous two years. The average home buyer assumed a debt of \$38,076, about 28 percent higher than in 1975 and 79 percent more than 1970, while land costs have risen by over 100 percent since 1965.

Although the floor area of the average HUD/FHA home has changed relatively little in recent years, the lot size has decreased by 10 percent since 1970 and by one-fourth since 1965, a further reflection of inflated land costs. Basements are still a luxury and to a lesser extent, garages. However, the multi-bathroom house

seems to be a fixture and the proportion of new homes with central air-conditioning continues to rise.

The median annual income of Section 203 home purchasers was \$21,292 in 1978 while the U.S. average is expected to top \$18,000. The prospective monthly housing expense for owner occupants of \$462.12 represents a 31 percent increase since 1975 and an 88 percent rise over 1970. Another indication of the pinch of housing costs is the fact that Section 203 home purchasers are expending nearly one-third of their effective incomes after taxes on housing compared to the traditional 25 percent as experienced back in 1965.

HUD/FHA New One-Family Home Transactions, 1965-1978

| Characteristics | 1978 | 1977 | 1975 | 1970 | 1965 |
|--|----------|----------|----------|----------|----------|
| Financial | | | | | |
| Sales Price | \$40,828 | \$36,517 | \$32,342 | \$23,056 | \$16,825 |
| Mortgage Amount | 38,076 | 34,061 | 29,803 | 21,307 | 15,929 |
| Closing Costs | 772 | 701 | 672 | 500 | 376 |
| Land Costs | 7,764 | 7,335 | 6,382 | 4,982 | 3,442 |
| Construction Costs (sq. ft.) | 25.58 | 23.07 | 20.27 | 14.33 | 11.66 |
| Physical | | | | | |
| Floor Area (sq. ft.) | 1,342 | 1,313 | 1,332 | 1,313 | 1,228 |
| Lot Size (sq. ft.) | 8,006 | 8,111 | 7,852 | 8,851 | 10,709 |
| No. of Rooms | 5.8 | 5.8 | 6.0 | 6.0 | 5.7 |
| With One Story | 81.5 | 84.7 | 75.0 | 82.6 | 84.2 |
| With Basement (%) | 16.0 | 13.6 | 33.6 | 43.2 | 39.1 |
| With Garage (%) | 52.5 | 55.8 | 61.1 | 61.7 | 65.3 |
| With More Than One Bath (%) | 75.4 | 75.6 | 70.1 | 77.3 | 65.8 |
| With Central Air Conditioning (%) | 63.9 | 59.0 | 51.8 | 30.3 | 6.1 |
| Family Income and Expenditure | | | | | |
| Median Annual Income | \$21,292 | \$19,510 | \$17,820 | \$12,217 | \$ 7,777 |
| Effective Monthly Income | 1,500 | 1,383 | 1,234 | 917 | 629 |
| Prospective Monthly Housing Expense | 462.12 | 411.18 | 351.88 | 245.92 | 147.54 |
| Ratio of Housing Expense to Effective Income after Tax | 32:0 | 30:7 | 29:4 | 27:5 | 24:7 |

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